

**DOCUMENT RESUME**

**05966 - [B152655\*]**

**Audit of the United States Senate Restaurants Revolving Fund, October 3, 1976, to October 1, 1977, Architect of the Capitol. GGD-78-68; B-114871. May 31, 1978. 8 pp. + 4 enclosures (10 pp.).**

**Report to George H. White, Architect of the Capitol; by Elser R. Staats, Comptroller General.**

**Issue Area: Accounting and Financial Reporting: Operations, Financial Position, and Changes (2802).**

**Contact: General Government Div.**

**Budget Function: General Government: Legislative Functions (801).**

**Organization Concerned: Senate: Senate Restaurant.**

**Congressional Relevance: Senate Committee on Rules and Administration.**

**Authority: Legislative Branch Appropriation Act [of] 1972 (P.L. 92-51). 40 U.S.C. 174j.**

The Senate Restaurants are operated primarily for Senators and employees of the United States Senate. The Architect of the Capitol is responsible for managing the restaurants under the direction of the Senate Committee on Rules and Administration. Receipts from sales and transfer from appropriations for contingent expenses of the Senate are used to finance the activities of the Senate Restaurants Revolving Fund, and funds appropriated to the Architect of the Capitol may be used to purchase restaurant equipment. This equipment is not recorded as assets of the Revolving Fund. Findings/Conclusions: The United States Senate Restaurants Revolving Fund was audited for the period October 3, 1976, to October 1, 1977, in accordance with the Comptroller General's standards for auditing financial transactions, accounts, and reports of governmental activities. These standards include generally accepted auditing standards. Financial statements were prepared on the basis of the accounting records maintained on an accrual basis by the Senate Restaurants' accounting staff and do not include the cost of equipment and furnishings acquired with appropriated funds. The statements were prepared on a basis consistent with that of the preceding period and present fairly the financial position of the Senate Restaurants Revolving Fund at October 1, 1977, and October 2, 1976, results of its operations, and changes in its financial position for the periods then ended. (RRS)

6554

---

REPORT BY THE U.S.

# General Accounting Office

---

Audit Of The United States Senate  
Restaurants Revolving Fund  
October 3, 1976, To October 1, 1977  
Architect Of The Capitol



GGD-78-68  
MAY 31, 1978



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

B-114871

The Honorable George M. White  
Architect of the Capitol

Dear Mr. White:

We audited the United States Senate Restaurants Revolving Fund for the period October 3, 1976, to October 1, 1977, pursuant to section 5 of the July 6, 1961, act (40 U.S.C. 174j-5).

Because of the change in the close of the Government's fiscal year from June 30 to September 30, the prior year's data (June 29, 1975, to October 2, 1976), used for comparative purposes in this report, covered a 15-month period. All other data used in this report cover a 12-month period.

SCOPE OF AUDIT

We made our audit in accordance with the Comptroller General's standards for auditing financial transactions, accounts, and reports of governmental activities. These standards include generally accepted auditing standards. We reviewed operations, observed the physical count of stock on hand, examined selected financial transactions and records, confirmed customers' account balances, and carried out other auditing procedures and such tests as we considered necessary in the circumstances.

OPINION ON FINANCIAL STATEMENTS

We prepared the accompanying financial statements (schs. 1, 2, and 3) on the basis of the accounting records maintained on an accrual basis by the Senate Restaurants' accounting staff. The statements do not include the cost of equipment and furnishings acquired with funds appropriated to the Architect of the Capitol or the cost of

certain benefits and services--such as space, building repairs and maintenance, utilities, trash disposal, menus and forms printed by the Government Printing Office, and services of the staff of the Architect of the Capitol--all of which are furnished to the restaurants without charge.

In our opinion, schedules 1, 2, and 3, which were prepared on a basis consistent with that of the preceding period and in accordance with the accounting practices and financial arrangements described above, present fairly the financial position of the U.S. Senate Restaurants Revolving Fund at October 1, 1977, and October 2, 1976, the results of its operations, and the changes in its financial position for the fiscal periods then ended.

#### GENERAL COMMENTS

The Senate Restaurants are operated primarily for Senators and employees of the United States Senate. The Architect of the Capitol is responsible for managing the restaurants under the direction of the Senate Committee on Rules and Administration.

Receipts from sales and transfers from the appropriations for the contingent expenses of the Senate are used to finance the activities of the Senate Restaurants Revolving Fund. These funds are deposited in the U.S. Treasury to the credit of the Senate Restaurants Revolving Fund. For the period ended October 1, 1977, sales receipts and commissions amounted to \$3,088,962, and transfers from the appropriation for contingent expenses of the Senate amounted to \$250,000.

Funds appropriated to the Architect of the Capitol for construction or maintenance may be used to purchase restaurant equipment. The equipment is not recorded as assets of the Senate Restaurants Revolving Fund.

The Legislative Branch Appropriation Act, 1972 (Public Law 92-51, approved July 9, 1971), provided that management personnel salaries and miscellaneous expenses, such as paper, cleaning, and laundry, may be paid from the Senate Office Buildings appropriation. Management personnel salaries and miscellaneous expenses of the restaurants

paid from or obligated against this appropriation during fiscal year 1977 totaled \$612,715. Consistent with prior years, this amount was not considered in determining the net operating loss of the restaurants. (See sch. 2.)

#### RESULTS OF OPERATIONS

Senate Restaurants operations for the period ended October 1, 1977, resulted in a net operating loss of \$89,049, compared with a net operating loss for the 15-month period ended October 2, 1976, of \$215,065. Overall, the Senate Restaurants decreased their operating loss from about \$14,300 a month in the prior period to about \$7,400 a month in the period ending October 1, 1977, a decrease of about \$6,900 a month. The smaller loss resulted from generally improved operations in several of the units.. Although the loss on sitdown food and beverage operations in the Capitol dining rooms increased about \$2,300 a month, it was offset by reduced losses on cafeteria food operations of about \$6,000 a month and higher profits on fast food and cigarstand operations of about \$3,200 a month.

A condensed comparison of sales, commissions, and operating results for each of the restaurants' activities for 1977 and 1976 follows on page 4.

A comparative statement of assets and liabilities of the Senate Restaurants Revolving Fund on October 1, 1977, and October 2, 1976; a comparative statement of operations for fiscal years 1974 through 1977; and a comparative statement of changes in financial position for fiscal years ended October 1, 1977, and October 2, 1976, are presented as schedules 1, 2, and 3. A statement of operations, prepared by the Senate Restaurants' accounting staff, for each of the restaurants' activities for fiscal year 1977 is included as exhibit A.

	1977 (12 months)		1976 (15 months)	
	<u>Sales and commissions</u>	<u>Operating profit or loss (-)</u>	<u>Sales and commissions</u>	<u>Operating profit or loss (-)</u>
Food and beverages:				
Capital dining rooms	\$ 504,314	\$-296,435	\$ 639,314	\$-335,346
Senators' dining room	60,697	-21,601	52,136	-27,836
Cafeterias	1,034,795	-106,934	1,187,904	-224,499
Coffee shop	272,478	54,430	294,862	53,958
Snackbar	108,722	21,292	101,346	10,736
Carryout	324,155	72,333	372,819	74,081
Vending	43,820	-1,058	47,843	5,329
	<u>2,348,981</u>	<u>-277,973</u>	<u>2,696,224</u>	<u>-443,577</u>
Tobacco, candy and newspapers:				
Capitol dining rooms (note a)	101,958	29,539	107,973	29,542
Dirksen Office Building	388,285	86,272	436,892	107,566
Russell Office Building	213,057	48,275	294,148	72,048
Vending (note b)	10,531	-1,312	2,458	123
	<u>713,831</u>	<u>162,774</u>	<u>841,471</u>	<u>209,279</u>
Vending machine commissions	<u>26,150</u>	<u>26,150</u>	<u>19,233</u>	<u>19,233</u>
Operating total	<u>3,088,962</u>	<u>-89,049</u>	<u>3,556,928</u>	<u>-215,065</u>
Nonrecurring expense (note c)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-16,700</u>
Total	<u>\$3,088,962</u>	<u>\$ -89,049</u>	<u>\$3,556,928</u>	<u>\$-231,765</u>

a/Operating expenses included under food and beverages.

b/Vending machine sales and profits reported under Russell Office Building in the prior period are reclassified under Vending.

c/Payment due to adverse personnel action.

STATUS OF ACCOUNTS RECEIVABLE

A comparison of customers' accounts receivable at September 30, 1977, and September 30, 1976, follows.

<u>Days outstanding</u>	<u>September 30, 1977</u>		<u>September 30, 1976</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
0 to 30	\$40,260	70.4	\$25,882	66.3
31 to 60	5,033	8.8	6,231	16.0
61 to 90	6,952	12.2	2,223	5.7
Over 90	<u>4,947</u>	<u>8.6</u>	<u>4,692</u>	<u>12.0</u>
Total	<u>\$57,192</u>	<u>100.0</u>	<u>\$39,028</u>	<u>100.0</u>

NEED TO IMPROVE PAYROLL OPERATIONS

Our test of the revolving fund's payroll records showed a marked increase in errors over previous years--about 92 percent of the payments included in our test were incorrect. These erroneous payments ranged from a \$25.34 overpayment to a \$13.46 underpayment; however, most amounted to less than \$2.00.

Restaurant operating employees are paid at hourly rates through the Senate Restaurants Revolving Fund, while management and office employees are paid from the Senate Office Building Appropriation. The restaurants' accounting staff manually processes the operating payroll, computing for each employee the hours worked, the gross pay, the deductions, and the net pay.

Our test consisted of a 20-percent random sample of the 353 payments made for 2 payroll periods. Of the 71 payments sampled, 65 or about 92 percent were incorrect.

The main reasons for the payroll errors were

- incorrect computations of hours worked;
- use of wrong pay rates;
- use of wrong number of exemptions for Federal and State tax withholding; and
- use of outdated or inapplicable tax withholding tables.

Also, certain procedures established to provide internal controls over the restaurants' payroll activities were not followed:

- Employees' time cards were not approved by supervisors.
- Alterations or changes to time cards were not approved by supervisors.
- Personnel files were not updated. Basic payroll data, such as life and health insurance forms were missing, and income tax withholding certificates were not current.
- Payroll records were not verified to data in the personnel files.

Although the restaurants' accounting staff had taken steps to obtain current withholding certificates from employees and up-to-date withholding tables, we advised the restaurants' administrative officer that action was still needed to resolve the other problems.

The administrative officer agreed that payroll procedures should be strengthened. He said that he would discuss our findings with other restaurant officials and attempt to develop improved procedures. He pointed out, for example, that the time card approval procedures adopted in January 1976 require supervisors to approve employees' time cards. However, in view of our findings he believed additional training was needed to insure that the restaurant supervisors follow the procedures.

In an attachment to his letter of April 25, 1978, commenting on a draft of this report, the Architect of the Capitol listed a number of steps recently taken to improve payroll operations. These include new procedures and training of payroll personnel, correcting and updating tax withholding information, issuing new time card approval instructions to supervisors, and correcting personnel files. The Architect also stated that placing the restaurants' payroll on a computer within the next few months should improve payroll operations.

PLANS TO REVIEW VENDING  
MACHINE OPERATIONS

The Senate Restaurants have both contract and in-house vending machine operations. The contractors perform all of the services, including supplying merchandise and maintenance for their vending machines, and submit commission payments and statements detailing the amount of vending machine sales to the Senate Restaurants Accounting Office. The Senate Restaurants rent vending machines from the contractors for in-house operation. Maintenance for the machines is provided by the contractors. The restaurants supply the merchandise for rented machines and realize any profit or loss from the operation.

Our review of the vending machine operations for fiscal year 1977 showed that the restaurants received commissions of \$26,150 from contract vending machine operations, but that the in-house operation lost \$2,370.

A comparison of sales, commissions, and operating results for the vending food and tobacco operations for 1977 follows.

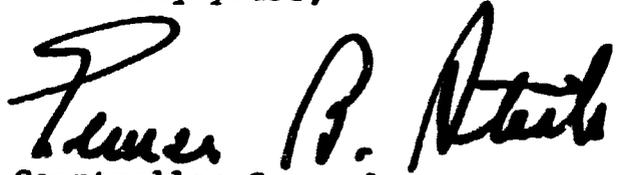
	<u>Food</u>	<u>Tobacco</u>	<u>Combined</u>
In-house:			
Sales	\$43,820	\$10,531	\$54,351
Expenses	<u>44,878</u>	<u>11,843</u>	<u>56,721</u>
Profit or loss (-)	<u>-1,058</u>	<u>-1,312</u>	<u>-2,370</u>
Contract vending machines commissions			<u>26,150</u>
Net vending profit			<u>\$23,780</u>

During our prior year's audit the restaurants' administrative officer informed us that he planned to review both the in-house and contract vending machine operations to ascertain whether the vending machine operation should be (1) conducted solely in-house, (2) contracted to only one vendor instead of four as it is now, or (3) continued as is. Subsequently, the Architect advised us that a review of the vending program was in progress. During this year's audit, the restaurants' management advised us that the review had not been completed.

B-114871

We believe that the vending machine operations information developed during this review warrants consideration by the Architect in his overall study of the vending program.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Thomas B. Atch". The signature is written in a cursive style with a large, prominent initial 'T'.

Comptroller General  
of the United States

**EXHIBITS**

U. S. SENATE RESTAURANT

FISCAL YEAR 1977

ACCOUNTING PERIOD

Year to Date  
October 3, 1976 thru October 1, 1977

STATEMENT OF OPERATIONS

	COMBINED OPERATIONS		Capitol Drs.		Snack Bar		Coffee Shop		ROB Cigar Stand		Vending		CIGAR STAND		CAFETERIA		SENATOR'S DR.		CARRY OUT	
	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES	AMOUNT	% OF SALES
<b>FOOD</b>																				
<b>SALES</b>	2027,808	86.3	376,964	74.7	108,723		272,478		-0-		43,820		-0-		840,971	81.3	60,697		324,155	
Food.....	321,173	13.7	127,350	25.3											193,824	18.7				
Catering.....	2348,981	100%	504,314	100%	108,723	100%	272,478	100%	-0-		43,820	100%	-0-		1034,795	100%	60,697	100%	324,155	100%
<b>TOTAL</b>	1052,971	44.8	227,539	45.1	53,669	49.4	127,342	46.7	-0-		19,620	44.8	-0-		440,903	42.6	29,073	47.9	154,826	47.8
<b>COST OF FOOD SOLD</b>	1296,010	55.2	276,775	54.9	55,054	50.6	145,136	53.5	-0-		24,201	55.2	-0-		593,892	57.4	31,623	52.1	169,329	52.2
<b>GROSS PROFIT ON FOOD</b>	1230,809	52.4	421,252	83.5	25,142	23.1	71,788	26.3	13,508	6.4	17,229	39.3	24,820	6.7	536,253	51.8	42,710	70.4	78,107	24.1
<b>OPERATING EXPENSES</b>																				
Labor: Straight Time.....	57,127	2.4	41,645	8.3	3,007	2.8	2,240	0.8	110	-0-	922	2.1	465	0.1	6,767	0.7	341	0.6	1,631	0.5
Overtime.....	96,119	4.1	32,926	6.5	1,972	1.8	5,505	2.0	1,078	0.5	1,411	3.2	1,892	0.5	41,917	4.1	3,279	5.4	6,139	1.9
Leave Expense.....	58,151	2.5	18,015	3.6	954	0.9	3,135	1.2	290	0.1	619	1.4	569	0.2	30,541	3.0	1,248	2.0	2,881	0.9
Employee Meals.....	5,370	0.2	1,895	0.4	131	0.1	307	0.1	55	-0-	73	0.2	107	-0-	2,301	0.2	184	0.3	316	0.1
Employee Physicals.....	126,557	5.4	43,385	8.6	2,595	2.4	7,264	2.7	1,417	0.7	1,854	4.2	2,512	0.7	55,171	5.3	4,315	7.1	8,045	2.5
Employee Benefits.....																				
<b>TOTAL LABOR COSTS</b>	1574,233	67.0	559,117	110.9	33,801	31.1	90,239	33.1	16,457	7.7	22,107	50.4	30,365	8.2	672,951	65.1	52,077	85.8	97,119	30.0
Vending Machine Rents.....	9,138	0.4									9,138	20.9								
Vending Machine Repairs.....	10	-0-									10	-0-								
Cleaning Supplies.....																				
Miscellaneous Expense.....	7,451	0.3	2,893	0.5	39	-0-	569	0.2	18	-0-	25	0.1	34	-0-	3,608	0.3	147	0.2	118	-0-
Kitchen Utensils.....	4,319	0.2	1,425	0.3	80	0.1	257	0.1			20	-0-			2,424	0.2	-0-		113	-0-
Replacements.....	47,624	2.0	15,091	3.0	-0-		-0-		-0-		-0-		-0-		30,945	3.0	1,588	2.6	-0-	
<b>TOTAL OPERATING EXPENSES</b>	1642,775	69.9	578,575	114.7	33,920	31.2	91,065	33.4	16,475	7.7	31,300	71.4	30,399	8.2	709,929	68.6	53,812	88.6	97,350	30.0
<b>PROFIT OR (LOSS) ON FOOD OPERATIONS</b>	(346,765)	(14.7)	(301,750)	(59.8)	21,134	19.4	54,070	19.9	(16,475)	(7.7)	(7,099)	(16.2)	(30,399)	(8.2)	(116,037)	(11.2)	(22,188)	(35.5)	71,979	22.2
<b>CIGAR STANDS</b>																				
<b>SALES</b>	690,239	100%	98,539	100%					213,057	100%	10,531	100%	368,111	100%						
<b>COST OF SALES</b>	479,063	69.4	69,610	70.6					148,371	69.6	5,922	56.2	255,160	69.3						
<b>PROFIT OR (LOSS) ON CIGAR STAND OPERATIONS</b>	211,176	30.6	28,930	29.4					64,686	30.4	4,608	43.8	112,951	30.7						
Newspapers.....	4,210		610										3,600							
VENDING MACHINES COMMISSIONS	26,150										26,150									
<b>NET PROFIT OR (LOSS) ON OPERATIONS</b>	(105,229)		(272,211)		21,134		54,070		48,212		23,660		86,152		(116,037)		(22,188)		71,979	
(a) adjust Accrual Leave.....	6,382		2,229		158		360		63		120		120		2,763		214		354	
(b) adjust China, Glassware.....	2,798		3,047											6,340		372				
<b>NET INCOME OR (DEFICIT)</b>	(89,049)		(266,895)		21,292		54,430		48,275		23,780		86,272		(106,934)		(21,601)		72,332	

NOTE: CENTS HAVE BEEN OMITTED. THEREFORE, COLUMNS WILL NOT FOOT. (a) Adjustment for Leave Expense (b) Adjustment China, Glassware, Tableware & Silverware Expense to Actual Cost for 13 Accounting Periods.

**SCHEDULES**

UNITED STATES SENATE RESTAURANTS REVOLVING FUNDCOMPARATIVE STATEMENT OF ASSETS AND LIABILITIESOCTOBER 1, 1977, AND OCTOBER 2, 1976

ASSETS	<u>October 1, 1977</u>		<u>October 2, 1976</u>	
<b>CASH:</b>				
Funds with U.S. Treasury	\$449,989		\$352,024	
Petty cash and change funds	<u>13,000</u>	\$462,989	<u>10,000</u>	\$362,024
<b>ACCOUNTS RECEIVABLE</b>		57,805		41,427
<b>INVENTORIES:</b>				
Food, beverages, merchandise, and supplies, at cost	87,027		59,913	
China, glassware, silverware, and tableware, at cost	<u>84,178</u>	<u>171,205</u>	<u>66,108</u>	<u>126,021</u>
Total assets		<u>\$691,999</u>		<u>\$529,472</u>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES:</b>				
Amounts due vendors	116,656		139,894	
Net payroll and benefits	62,536		49,777	
Federal and State taxes withheld	16,411		8,161	
Employees' accrued leave	70,465		66,768	
Unclaimed wages	<u>2,010</u>		<u>1,902</u>	
Total liabilities		<u>268,078</u>		<u>266,502</u>
<b>EQUITY:</b>				
Contributed capital		51,200		51,200
Capitalization of china, glass- ware, silverware, and table- ware inventory (note a)		45,944		45,944
<b>Operating funds:</b>				
Balance at beginning of year	165,826		97,591	
Current year appropri- ations	<u>250,000</u>		<u>300,000</u>	
	415,826		397,591	
Less net loss for fiscal year	<u>39,049</u>	<u>326,777</u>	<u>231,765</u>	<u>165,826</u>
Total equity		<u>423,921</u>		<u>262,970</u>
Total liabilities and equity		<u>\$691,999</u>		<u>\$529,472</u>

a/Initial capitalization of china, glassware, and silverware, at July 1, 1967, was \$36,361 and capitalization of tableware at October 2, 1976, was \$9,583.

SCHEDULE 2

SCHEDULE 2

UNITED STATES SENATE RESTAURANTS REVOLVING FUND

COMPARATIVE STATEMENT OF OPERATIONS

FISCAL YEARS ENDED OCTOBER 1, 1977, OCTOBER 2, 1976, JUNE 23, 1975

AND JUNE 29, 1974 (note a)

	<u>October 1, 1977</u>		<u>October 2, 1976</u>		<u>June 23, 1975</u>		<u>June 29, 1974</u>	
	<u>Amount</u>	<u>Percent of sales</u>	<u>Amount</u>	<u>Percent of sales</u>	<u>Amount</u>	<u>Percent of sales</u>	<u>Amount</u>	<u>Percent of sales</u>
<b>SALE OF FOOD AND BEVERAGES:</b>								
Regular	\$2,027,849	86.3	\$2,391,273	33.7	\$1,665,446	88.5	\$1,480,937	88.9
Catering	<u>321,132</u>	<u>13.7</u>	<u>304,951</u>	<u>11.3</u>	<u>215,772</u>	<u>11.5</u>	<u>184,733</u>	<u>11.1</u>
Total	2,348,981	100.0	2,696,224	100.0	1,881,218	100.0	1,665,670	100.0
Cost of food and beverages sold	<u>1,052,971</u>	<u>44.8</u>	<u>1,220,701</u>	<u>45.3</u>	<u>332,721</u>	<u>44.3</u>	<u>788,354</u>	<u>47.4</u>
GROSS PROFIT	<u>1,296,010</u>	<u>55.2</u>	<u>1,475,523</u>	<u>54.7</u>	<u>1,048,497</u>	<u>55.7</u>	<u>876,716</u>	<u>52.6</u>
<b>OPERATING EXPENSES:</b>								
Salaries and wages:								
Straight time								
	1,189,207	50.6	1,431,139	53.1	1,086,145	57.7	964,419	57.9
Overtime								
	56,377	2.4	65,828	2.4	61,804	3.3	68,087	4.1
Leave expense								
	86,706	3.7	112,240	4.2	81,425	4.3	72,022	4.3
Employee meals								
	57,274	2.5	73,898	2.7	53,109	2.8	52,471	3.2
Employee benefits								
	122,276	5.2	144,113	5.3	100,143	5.3	79,096	4.7
Employee physicals								
	5,194	.2	8,800	.3	6,697	.4	-	-
Miscellaneous								
	7,395	.3	7,900	.3	6,904	.4	14,977	.9
China, glassware, and silverware								
	37,875	1.6	51,876	1.9	31,049	1.6	20,168	1.2
Kitchen utensils								
	4,319	.2	18,462	.7	6,265	.3	10,553	.6
Vending machine rentals and repairs								
	<u>7,410</u>	<u>.3</u>	<u>4,844</u>	<u>.2</u>	<u>1,500</u>	<u>.1</u>	<u>1,521</u>	<u>.1</u>
Total (notes b,c)	<u>1,573,983</u>	<u>67.0</u>	<u>1,919,100</u>	<u>71.1</u>	<u>1,435,041</u>	<u>76.2</u>	<u>1,283,314</u>	<u>77.0</u>
LOSS ON FOOD AND BEVERAGE OPERATIONS	<u>277,973</u>	<u>11.8</u>	<u>443,577</u>	<u>16.4</u>	<u>386,544</u>	<u>20.5</u>	<u>406,598</u>	<u>24.4</u>
<b>CIGARSTAND MERCHANDISE:</b>								
Sales	690,239	100.0	818,953	100.0	579,988	100.0	433,248	100.0
Cost of sales	<u>479,063</u>	<u>69.4</u>	<u>582,330</u>	<u>71.1</u>	<u>426,969</u>	<u>73.6</u>	<u>331,708</u>	<u>76.6</u>
GROSS PROFIT	<u>211,176</u>	<u>30.6</u>	<u>236,623</u>	<u>28.9</u>	<u>153,019</u>	<u>26.4</u>	<u>101,540</u>	<u>23.4</u>
Operating expenses (note c)	<u>52,612</u>	<u>7.6</u>	<u>31,144</u>	<u>3.8</u>	<u>15,648</u>	<u>2.7</u>	<u>14,458</u>	<u>3.3</u>
PROFIT ON CIGARSTAND OPERATIONS	<u>158,564</u>	<u>23.0</u>	<u>205,479</u>	<u>25.1</u>	<u>137,371</u>	<u>23.7</u>	<u>87,082</u>	<u>20.1</u>

**SCHEDULE 2**

**SCHEDULE 2**

NEWSPAPERS (note d):										
Sales	23,592	100.0	22,518	100.0	11,970	100.0	10,038	100.0		
Cost of sales	<u>19,382</u>	<u>82.2</u>	<u>18,718</u>	<u>83.1</u>	<u>9,682</u>	<u>80.9</u>	<u>8,044</u>	<u>80.1</u>		
PROFIT FROM NEWS-										
PAPER SALES										
	<u>4,210</u>	<u>17.8</u>	<u>3,800</u>	<u>16.9</u>	<u>2,238</u>	<u>19.1</u>	<u>1,994</u>	<u>19.9</u>		
VENDING MACHINE										
COMMISSIONS										
	<u>26,150</u>		<u>19,233</u>		<u>7,226</u>		<u>6,436</u>			
NET OPERATING LOSS										
(note a)	<u>89,049</u>		<u>215,065</u>		<u>239,659</u>		<u>311,036</u>			
NON-RECURRING										
ITEM:										
Payment due to										
personnel										
action	<u>-</u>		<u>16,700</u>		<u>-</u>		<u>-</u>			
NET LOSS	<u>\$ 89,049</u>		<u>\$ 231,765</u>		<u>\$ 239,659</u>		<u>\$ 311,036</u>			

a/The fiscal year ended October 2, 1976, covers a 15-month period compared to a 12-month period in all other years.

b/Additional costs, as provided for under Public Law 92-51, were paid from the Legislative Branch appropriations for the Senate Office Buildings as follows:

<u>Fiscal year</u>	<u>Personnel compensation</u>	<u>Personnel benefits</u>	<u>Other services</u>	<u>Supplies and materials</u>	<u>Total</u>
1977	\$346,867	\$33,922	\$81,169	\$150,757	\$612,715
1976	404,753	41,089	97,866	190,985	734,693
1975	277,370	25,660	78,187	167,457	548,674
1974	272,069	24,896	59,362	114,003	470,330

c/In prior reports cigarstand operating expenses were included in food and beverage operating expenses. Cigarstand expenses have been separately stated in this report to clearly show the net profit or loss from food and beverage, and from cigarstand operations.

d/Total sales and cost of sales based on data reported for primary sales location.

UNITED STATES SENATE RESTAURANTS REVOLVING FUNDCOMPARATIVE STATEMENT OF CHANGES IN FINANCIAL POSITIONFISCAL YEARS ENDED OCTOBER 1, 1977 AND OCTOBER 2, 1976 (note a)

	<u>October 1, 1977</u>	<u>October 2, 1976</u>
<b>FUNDS PROVIDED:</b>		
Sales and commissions	\$3,088,962	\$3,538,211
Capitalization of tableware at October 2, 1976	-	9,583
Appropriations	<u>250,000</u>	<u>300,000</u>
Total	<u>\$3,338,962</u>	<u>\$3,847,794</u>
<b>FUNDS APPLIED:</b>		
Cost of merchandise sold	\$1,551,416	\$1,803,031
Salaries, wages, and benefits	1,567,852	1,866,880
Other operating expenses	58,743	100,064
Increase in working capital	<u>160,951</u>	<u>77,819</u>
Total	<u>\$3,338,962</u>	<u>\$3,847,794</u>

ANALYSIS OF CHANGES IN WORKING CAPITALFISCAL YEARS ENDED OCTOBER 1, 1977 AND OCTOBER 2, 1976 (note a)

	<u>October 1, 1977</u>	<u>October 2, 1976</u>
		Increase or decrease (-) <u>in working capital</u>
<b>WORKING CAPITAL CHANGES:</b>		
Cash	\$ 100,965	\$ 107,527
Accounts receivable	16,378	-2,413
Inventory of food, tobacco, and beverages	27,114	3,602
Inventory of china, glassware, silverware, and tableware	18,070	17,255
Amounts due vendors	23,238	-36,988
Net payroll and benefits	-12,759	-1,654
Federal and State taxes withheld	-8,250	-1,466
Employees' accrued leave	-3,697	-7,938
Unclaimed wages	<u>-108</u>	<u>-106</u>
NET INCREASE IN WORKING CAPITAL	<u>\$ 160,951</u>	<u>\$ 77,819</u>

a/The fiscal year ended October 2, 1976, covers a 15-month period compared to a 12-month period for fiscal year ended October 1, 1977.

(41547)